

# SENATE BILL REPORT

## 3SHB 2053

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As Reported By Senate Committee On:  
Ways & Means, March 03, 2008

**Title:** An act relating to improving the availability of motor vehicle fuel in the event of an electric power outage or interruption in electric service.

**Brief Description:** Providing for improved availability of motor vehicle fuel during power outages or interruptions in electrical service.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Goodman, Springer, O'Brien, Dunshee, Eddy, Blake, Lovick, Upthegrove, Green, Simpson and Hurst).

**Brief History:** Passed House: 2/04/08, 94-0.

**Committee Activity:** Ways & Means: 2/29/08, 3/3/08 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

**Staff:** Dean Carlson (786-7305)

**Background:** Washington's principal tax on businesses is the state business and occupation (B&O) tax. The B&O tax applies to the gross receipts derived from engaging in business. Although the tax does not reflect the cost of doing business, there are a variety of exemptions, deductions, and other tax incentives permitted by law. Gasoline service stations are subject to the B&O retailing rate (0.471 percent) on motor vehicle fuel and other items that are sold to consumers. Most B&O tax receipts are deposited in the State General Fund.

**Summary of Bill:** A credit against state B&O tax liability is provided for gasoline service stations for costs associated with acquiring alternative power generation devices. The amount of tax credit is limited to 50 percent of the cost of such devices, up to a maximum of \$25,000 per taxpayer.

Eligible costs include the purchase of an alternative power generation devices, the wiring necessary to install the devices, and the related installation labor and services. An overall cap of \$750,000 per biennium applies to the total credits under the program.

The credit will expire at the end of Fiscal Year 2011.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on July 1, 2008.

**Staff Summary of Public Testimony on Third Substitute Bill:** PRO: In 2006 100,000 households in my district were without power. Many people needed gas for their generators. The open gas stations were running out of gas. We would like to provide an incentive for gas stations to purchase alternative power so they may supply gas during power outages. We did homework to determine the size and cost of generators needed for gas stations.

**Persons Testifying:** PRO: Representative Goodman, prime sponsor.